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Turkey

Cotton and Products Update

Turkey Cotton and Products Update

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Report Highlights:

The MY 2016 Turkish cotton crop now estimated at 425,000 hectares and 700,000 MT (3.2 million bales); up about twenty percent compared to last crop year. Even though minor replanting was necessary in the Aegean and GAP regions, ample irrigation water and high quality seeds used in recent years affected yields positively. Presently, the crop is developing very well with no major insect attack, pushing yields higher in all regions. Domestic cotton consumption for MY 2015 was about 1.47 MMT (6.7 million bales), in spite of the narrowing export opportunities due to political problems in the export markets. The Government of Turkey (GOT) has finalized the antidumping investigation on U.S. cotton and applied a 3 percent antidumping duty on U.S. cotton imports starting from April 2016. Total cotton imports during the first eleven months of MY 2015 were 857,000 MT (3.9 million bales) of which 300,000 MT (1.37 million bales) were U.S. cotton.

Post:
Ankara

Commodities:
Cotton

Production

MY 2016 cotton planting area and production are estimated about 425,000 hectares and 700,000 MT, up about twenty percent compared to last year. In recent years, Turkish farmers have been improving their field yields by increasing utilization of high quality certified seeds. Availability of high quality seeds, government's insistence on certified seeds usage, increased number of harvesters and good farming practices have all facilitated higher yields. As of now, no major bug attack is reported and the crop is growing under ideal conditions in all three major cotton growing regions.

The GOT, to promote cotton planting, has been increasing the seed cotton production bonus during the last five years. Accordingly, MY 2016 seed cotton production support increased to TL 0.75 per kilogram from 0.65 per kilogram a year ago (as of 8/15/2016 US\$ 1= 2.95 TL). The support is provided only to certified seed users.

Turkey became part of the BCI (Better Cotton Initiative) three years ago and expected to produce about 40,000 MT of BCI cotton in MY 2016.

Consumption

Turkish mills have been investing in new machinery and technology to increase quality and lower costs in order to get ahead in the very competitive international textile trade.

In MY 2015, domestic cotton consumption was about 1.47 MMT (6.7 million bales) in spite of the lower textile exports. War conditions in Syria, Iraq and Ukraine, and also stopping of exports to Russia after the Turkish downing of a Russian plane in November 2015 all caused exports to decline to these destinations. In the meantime, mills had to lower their margins to keep their market share in the European market to continue operating.

Domestic consumption is expected to go up, even though marginally, to 1.5MMT (6.9 billion bales) during MY 2016 due to recent initiatives of the Turkish government to improve relations with Russia and regional countries. Also, textile exports to Europe are expected to grow due to relative growth in the economies of the region.

Trade

After a lengthy antidumping investigation, GOT announced three percent antidumping duty on the U.S. cotton imports starting from April 2016. The industry feels this is somewhat tolerable since some of the U.S. cotton will come under the inward processing regime for exports and hence will not be subject to the antidumping duty.

Early season purchases of U.S. cotton shipments were delayed due to the uncertainties caused by the

antidumping investigation on the U.S. cotton imports and availability of local cotton. Imports started to increase during the second half of the marketing year to meet the need of the mills. Total cotton imports for the first eleven months of MY 2015 were 857,000 MT (3.93 Million bales). The United States provided about thirty five percent of the imports, which was 300,000 MT (1.37 million Bales), down from the average of fifty percent. Brazil (126,000 MT), Turkmenistan (122,000 MT) and Greece (104,000 MT) were the other leading suppliers during the same period. Despite the war conditions, about 16,000 MT of Syrian cotton also found its way to the Turkish market.

During the first ten months of MY 2015 Turkey's cotton exports were about 9,300MT (43,000 bales). Bangladesh (3,400MT) and Greece (1,100 MT) were the leading foreign destinations for Turkish cotton. About 2,500 MT of cotton was also exported to the Mersin and Kayseri Free Trade Zone with a possibility of being re-imported later. Turkey also exported about 15,500 MT (70,000 bales) of hydrophilic cotton for medical use during the same period, which added to exports in the PSD.

Turkey Cotton Production, Supply and Distribution Tables

Turkey Cotton						
1000 HA 1000 480 lb. bales						
	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	430	430	370	370	425	425
Beginning Stocks	1357	826	1596	1076	1671	962
Production	3200	3213	2650	2662	3000	3213
Imports	3675	3672	4300	4131	3800	4016
MY Imports from U.S.	0	1554	0	1514	0	1606
Total Supply	8232	7711	8546	7869	8471	8191
Exports	236	235	225	137	275	230
Use	6400	6400	6650	6770	6600	6885
Loss	0	0	0	0	0	0
Total Dom. Cons.	6400	6400	6650	6770	6600	6885
Ending Stocks	1596	1076	1671	962	1596	1076
Total Distribution	8232	7711	8546	7869	8471	8191
Stock to Use %	24.05	16.22	24.31	13.93	23.21	15.12
Yield	1620	1627	1559	1566	1537	1646

Turkey						
Cotton (HECTARES)(MT)						
	2014	Revised	2015	Estimate	2016	Forecast
	Post Old	Post Estimate New	Post old	Post Estimate New	Post Old	Post Estimate New
Market Year Begin		14-Aug		15-Aug		16-Aug
Area Planted	430000	430000	370000	370000	425000	425000
Area Harvested	430000	430000	370000	370000	425000	425000
Beginning Stocks	180055	180055	228830	228830	203830	203830
Production	700000	700000	580000	580000	650000	700000
Imports	800068	800068	800000	900000	800000	875000
MY Imp. from U.S.	338534	338534	350000	330000	350000	350000
TOTAL SUPPLY	1680123	1680123	1608830	1708830	1653830	1778830
Exports	51293	51293	55000	30000	60000	50000
USE Dom. Consumption	1400000	1400000	1350000	1475000	1375000	1500000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1400000	1400000	1350000	1475000	1375000	1500000
Ending Stocks	228830	228830	203830	203830	218830	228830
TOTAL DISTRIBUTION	1680123	1680123	1608830	1708830	1653830	1778830

IMPORT TRADE MATRIX

	Turkey		
Commodity	Cotton	Units:	Metric Tons
Time Period	Aug/July		Aug/June
Imports for:	MY 2014		MY 2015
U.S.	338534	U.S.	299640
<i>Others</i>			
Turkmenistan	169841	Brazil	125677
Greece	128132	Turkmenistan	122223
Brazil	62570	Greece	103923
Syria	28389	Burkina Faso	48364
Tajikistan	14404	Tajikistan	24429
Argentina	13261	Cod d'Ivoire	23149
Uzbekistan	6143	India	21241
Cod d'Ivoire	4643	Syria	16269
India	4300	Uzbekistan	16306
Mali	3944	Argentina	8958
Total of Others	435627		510539
Others not listed	25907		46429
Grand Total	800068		856608
Country	Turkey		
Commodity	Cotton	Units:	Bales
Time Period	Aug/July		Aug/June
Imports for:	MY 2014		MY 2015
U.S.	1553871	U.S.	1375347
<i>Others</i>			
Turkmenistan	779570	Brazil	576857
Greece	588126	Turkmenistan	561003
Brazil	287196	Greece	477006
Syria	130306	Burkina Faso	221990
Tajikistan	66115	Tajikistan	112129
Argentina	60868	Cod d'Ivoire	106253
Uzbekistan	28196	India	97496
Cod d'Ivoire	21310	Syria	74675
India	19737	Uzbekistan	74844
Mali	18103	Argentina	41117
Total of Others	1999527		2343370
Others not listed	118914		213109
Grand Total	3672312		3931830